**CONGRESSIONAL BUDGET OFFICE**
**COST ESTIMATE**

June 23, 1998

# S. 1693
## Vision 2020 National Park Service Restoration Act

*As passed by the Senate on June 11, 1998*

## SUMMARY


S. 1693 would reform various policies and practices of the National Park Service (NPS). The act also would extend and modify the agency's authority to collect and spend certain fees from park visitors, concessioners, and other users of park property.

CBO estimates that enacting S. 1693 would result in additional net outlays from direct spending of $2 million in fiscal year 2000 and of $200 million over the 2000-2003 period. The act also would affect programs carried out with discretionary funds but would have no significant impact on the NPS's budget because most of the actions mandated by the legislation are already being carried out by the agency. Because S. 1693 would affect direct spending, pay-as-you-go procedures would apply. S. 1693 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.


## DESCRIPTION OF MAJOR PROVISIONS

Several titles of S. 1693 would affect direct spending. These provisions include:

- Title IV, which would reform the concessions activities of the NPS in order to improve the financial benefits received by the park system. This title would repeal the existing law governing the use of concessions contracts by the NPS and would establish new contracting policies and practices that would enhance competition in the bidding process.

- Title V, which would extend through fiscal year 2005 the recreation fee demonstration program authorized by Public Law 104-134 (the Omnibus Consolidated Rescissions and Appropriations Act, 1996) and would eliminate the existing cap on the number of park units that may participate. The extension and expansion of the existing program would apply only to the NPS. Title V also would direct the Secretary of the Interior to establish reasonable fees for commercial filming activities carried out on NPS lands. The agency would continue to be able to collect additional amounts to recover any direct costs related to the filming, including those incurred to process applications.

- Title VI, which would direct the NPS to create a new national park passport program. The new program would include two types of passports, both of which would be nontransferable and could be sold on consignment, for an unspecified commission, by private vendors: (1) a $50 national park passport (with an accompanying collectible stamp), which would entitle the holder to admission to all NPS units for one year, and (2) a $40 international park passport, available for sale only outside of the United States, which would entitle foreign visitors to free park admission for 45 days.

- Title VIII, which would authorize the NPS to lease unneeded buildings and related property to any person or governmental entity.

For all of the above provisions, the act would direct the NPS to deposit all receipts earned (including franchise fees and recreation fees collected under existing, permanent authority) into special accounts in the U.S. Treasury. Upon deposit, all such amounts except for franchise fees would become available to the NPS without further appropriation for various specified purposes.

S. 1693 also would make changes to activities of the NPS that are funded with discretionary appropriations. Title I would require the agency to establish a plan for management training and development, and to develop a comprehensive training program for all of its professional employees. Title II would establish a specific research mandate for the NPS to ensure that Park Service managers benefit from high-quality science and information. The agency also would have to implement a program to inventory and monitor all park resources.

Other provisions of S. 1693 would have little or no effect on the federal budget. Some of these provisions would grant the NPS statutory authority to execute cooperative agreements with state and local government agencies and to promote local fundraising support through the National Park Foundation.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing S. 1693 would result in additional offsetting receipts of $76 million in fiscal year 2000 and of over $360 million through 2003. The NPS would be able to spend not only these new receipts but also those collected under current authority from recreation fees and deposits in the concessions improvement accounts. As a result, direct spending would increase by about $78 million in 2000 and by over $560 million through 2003. The net effect of these changes would be additional direct spending of $2 million in 2000 and of $200 million through 2003. The estimated impact of these provisions is summarized in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| **DIRECT SPENDING** | | | | | | |
| Net Direct Spending Under Current Law: Receipts and Spending from NPS Recreation and Concessions Fees | | | | | | |
| Estimated Budget Authority | -23 | -23 | -94 | -97 | -97 | -100 |
| Estimated Outlays | -71 | -26 | -14 | -69 | -97 | -101 |
| Proposed Changes: | | | | | | |
| NPS Recreation and Concessions Fees | | | | | | |
| Estimated Budget Authority | 0 | 0 | -76 | -86 | -97 | -104 |
| Estimated Outlays | 0 | 0 | -76 | -86 | -97 | -104 |
| NPS Spending of Fees | | | | | | |
| Estimated Budget Authority | 0 | 0 | 156 | 169 | 181 | 191 |
| Estimated Outlays | 0 | 0 | 78 | 130 | 171 | 183 |
| Net Change | | | | | | |
| Estimated Budget Authority | 0 | 0 | 80 | 83 | 84 | 87 |
| Estimated Outlays | 0 | 0 | 2 | 44 | 74 | 79 |
| Net Direct Spending Under S. 1693: Receipts and Spending from NPS Recreation and Concessions Fees | | | | | | |
| Estimated Budget Authority | -23 | -23 | -14 | -14 | -13 | -13 |
| Estimated Outlays | -71 | -26 | -12 | -25 | -23 | -22 |

NOTE: No amounts are included in the above table for changes in programs funded with discretionary appropriations because CBO expects that such changes would occur even in the absence of this legislation.

## BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that S. 1693 will be enacted by or near the start of fiscal year 1999. We also assume that the NPS would develop all of the necessary rules and procedures in 1999 so that it could implement the new, reformed, or extended fee programs beginning in 2000. Amounts earned from new fees (except for franchise fees) would become available to the NPS for obligation in the year collected. Estimated outlays from the spending of fee receipts are based on historical spending patterns for these and similar programs. Information for this estimate was provided by the Office of Management and Budget, the Department of the Interior, and the NPS.

### Direct Spending

**Concessions fees**. CBO expects that the reforms made by Title IV to the competitive bidding process would raise amounts deposited by concessioners into the bank accounts that they hold and use for park improvements, as required by many concession contracts. These special bank accounts—known as "improvement accounts"—are often maintained in lieu of paying franchise fees to the U.S. Treasury and are used for on-site improvements at the direction of the park superintendent. Franchise fees paid to the Treasury would probably not be affected significantly by the bill because the NPS would be unlikely to negotiate contracts with higher concession fees if it cannot spend the proceeds without further appropriation action. (Under S. 1693—as under current law—appropriation action would be required to spend receipts from franchise fees, which have been falling in recent years.)

CBO estimates that deposits to improvement accounts would increase by about $4 million in fiscal year 2000 and by about $38 million through 2003. Spending of amounts deposited into improvement accounts would increase by similar amounts, but more slowly. In total, the combination of new receipts and additional spending would lower net outlays by about $10 million through 2003.

**Recreation fees**. Title V would extend through fiscal year 2005 the NPS's recreation fee demonstration program, which was authorized in Public Law 104-134. That program (as amended by subsequent laws) allows the NPS, among other land management agencies, to establish recreation fees beyond those allowed by the Land and Water Conservation Fund Act (LWCFA) for up to 100 demonstration areas. Under the demonstration program, the NPS is allowed to spend without further appropriation all receipts earned at a demonstration area. (Park units that are not part of the demonstration program may keep only 15 percent of their receipts, as allowed under the LWCFA.) Once this temporary authority expires at the end of fiscal year 1999, most receipts collected by the NPS pursuant to that authority will fall to levels consistent with the permanent fee-collection authority provided in the LWCFA (about $94 million in 2000, compared to an estimated $146 million for 1999 under the demonstration program). Direct spending authority will also fall—to 15 percent of total fee receipts, or $14 million in 2000.

CBO estimates that extending the demonstration program would raise receipts from recreation fees to about $3 million a year more than the 1999 level because all park units would be able to participate. When new collections from the national passport program authorized under Title VI are added, the total estimated effect on offsetting receipts is an increase of $72 million in 2000 and of nearly $325 million through 2003. (The additional receipts from the passport program—which does not expire—are primarily the result of one provision of Title VI that clarifies that the NPS may sell the new passports on consignment through private vendors.)

Because S. 1693 would allow the NPS to spend all new fees generated by the demonstration program and the passport program, as well as receipts earned under other, existing authority, new direct spending would be much higher than new receipts. We estimate that outlays would increase by $76 million in 2000 and by $535 million over the 2000-2003 period. The net budgetary effect of the changes in offsetting receipts and new spending from recreation fees would be additional outlays of $4 million in 2000 and $212 million through 2003.

**Other NPS fees**. S. 1693 also would allow the NPS to establish new fees for commercial filming activities that take place on park lands and to lease space in agency buildings to persons or governmental agencies. Both the new fees and rental income would be available to the agency without further appropriation. These new authorities could result in additional offsetting receipts of several million dollars a year. The spending of any proceeds would offset the receipts over time, resulting in no net impact on the federal budget.

## Spending Subject to Appropriation

S. 1693 could affect NPS programs that are carried out with discretionary funds. For the most part, however, CBO believes that the NPS already has the authority and the intention to carry out the act's mandates for these programs even in the absence of new legislation, assuming appropriation of the necessary amounts. As a result, we have not included any of the costs of performing the mandated duties in the estimate table. In at least one case—establishing a procedure for reviewing potential additions to the park system—the agency has already adopted the methodology required by S. 1693. In other cases, the NPS has developed plans to carry out the activities required by this legislation but has yet to receive the necessary appropriations. For example, most of the planning and development necessary to implement the training mandates of Title I has already been completed, and the plans would probably require little revision to incorporate any new or revised procedures specified in the bill. Full implementation of these training plans (under S. 1693 or under Administration initiatives) would cost the NPS about $18 million annually, assuming appropriation of the necessary amounts. Similarly, Title II would require the NPS to implement a program for inventorying and monitoring the agency's resources. Based on information provided by the NPS, we estimate that the agency will perform the requirements of this title under existing authority, assuming appropriation of the $160 million needed for that purpose over the next 10 years.

## PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

| | By Fiscal Year, in Millions of Dollars | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Changes in outlays | 0 | 0 | 2 | 44 | 75 | 79 | 82 | 85 | 68 | 15 | -23 |
| Changes in receipts | Not applicable | | | | | | | | | | |

## ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1693 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would authorize the National Park Service to enter into agreements with state or local government agencies to provide for the cooperative management of adjacent federal and state park areas. Any state or local expenditures under such agreements would be voluntary on the part of those governments.

## ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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